GSA Denies 'Secrecy' Of Data Bank

6-21-74

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General Services Administration Chief Arthur Sampson yesterday denied a Senate subcommittee staff's charge that the GSA failed to inform Congress of plans to establish a "massive national databank."

Testifying before the Special Subcommittee on Privacy, Information Systems and Constitutional Rights, Sampson said, "If it was a secret, it was the worst kept secret in government."

Called FEDNET, or the New Equipment Project, the computer system was to have connected Department of Agriculture and GSA computers. However, protests by Vice President Ford, Office of Management and Budget Director Roy L. Ash and members of Congress curtailed the project, the subcommittee has said.

Although Sampson maintained that FEDNET's only purpose was to cut administrative costs, many officials still are not satisfied. As Clay T. Whitehead, director of the White House Office of Telecommunications Policy, observed at the hearings yesterday that the "character" of the project has not been "substantially" changed. "The capacity of the system is still greater than we have seen before," Whitehead said.

Moreover, a Constitutional Rights Subcommittee staff report charged, "The program is proceeding . . . the system remains intact . . . The only significant change . . . is the deletion, temporarily, of the data communications network. When added at some future date, the original system will have been built, only in stages."

Although the GSA contended that FEDNET will only count "potatoes or paperclips," committee staff members said its inevitable expansion is at issue. Large-capacity "third-generation" computers may be paired almost infinitely (FEDNET represents only 1 per cent of government computers). Once joined, any operator at one of the proposed 2,400 remote terminals will be able to summon information instantly.

ARTHUR F. SAMPSON
. . . defends GSA

Sen. Edmund S. Muskie (D-Maine) did not dispute Sampson's testimony yesterday, but he did win an admission that congressional oversight of any planned large data system is now GSA policy.

The subcommittee adjourned yesterday after hearing testimony from state officials, the National Legislative Conference, a health data expert and the League of Women Voters. Ohio state Sen. Stanley Aronoff, representing the Legislative Conference, accused retail interests of "lobbying feverishly" to sabotage a privacy bill in the Ohio legislature.

Representatives of retail stores, oil companies and the electronics industry have monitored the subcommittee testimony. Retail stores and oil companies depend heavily on their ability to gather information about customer credit through data banks. But all supported the effort to establish a federal standard for the operation of data banks.